



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

September 4, 2001

CERTIFIED RETURN RECEIPT
7000 0520 0021 7582 9415

Mr. Lee Brown
Magnesium Corporation of America
238 North 2200 West
Salt Lake City, Utah 84116

Re: Notification of Suspension of Operations, Magnesium Corporation Of America (MagCorp), Knolls Solar Ponds Project and the Rowley Project (Stansbury Basin Facilities), M/045/022 & M/045/008), Tooele County, Utah

Dear Mr. Brown:

In accordance with the provisions of Rule R647-4-117, the Division hereby requests information from MagCorp regarding its plans for continued operations at the Knolls Solar Ponds and Rowley Project areas. According to R647-4-117.2, when mining operations are terminated or suspended for a period of two years, *or are expected to exceed this time frame (emphasis added)*, the operator shall, upon request, furnish information to the Division as it may require to evaluate the status of the mining operation, the compliance with the rules, and the probable future status of the land affected.

Our annual report records indicate that operations at the Knolls facilities were last active in 1999. Mining operations at the Rowley project area were last active in 1996. As a result of information received during more recent discussions with MagCorp representatives, the receipt of annual report information, and subsequent notification of a Chapter 11 bankruptcy filing; we believe it is timely to provide supplemental information regarding MagCorp's plans for continued suspension, termination, reclamation, and/or reactivation of mining operations at these permitted sites.

If reclamation is proposed for either of these sites, the Division welcomes the receipt of updated, detailed reclamation proposals (and cost estimates) that are tied to the existing site conditions. This information would help clarify the generic reclamation descriptions provided in the reclamation plans currently on file.

100307

Page 2

Lee Brown

M/045/022 & M/045/008

September 4, 2001

Please provide this information to address our concerns within two weeks of your receipt of this letter, or no later than September 19, 2001. If you have questions regarding this request, please contact me at (801) 538-5286. Thank you for your cooperation in addressing this informational request.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is written in a cursive style with a large, stylized "H".

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

cc: Tony Rudman, MagCorp
Mary Ann Wright, OGM
Kurt Seel, OGM

M45-08.letsusp.doc

100308